



THOMAS L. GARTHWAITE, M.D.  
Director and Chief Medical Officer

FRED LEAF  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina  
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October 28, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A SOLE SOURCE AGREEMENT WITH GRANT & WEBER FOR WORKERS'  
COMPENSATION SAFETY NET SERVICES  
(All Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Director of Health Services, or his designee, to enter into a sole source agreement, substantially similar to Exhibit I, with Grant & Weber for the provision of Workers' Compensation Safety Net Services (WCSNS) as required at County hospitals, health centers, and comprehensive health centers, effective on the date of Board approval through December 31, 2005, with an optional six-month extension through June 30, 2006, at no net County cost.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

In approving this recommended action, the Board is authorizing the Director, or his designee to sign a sole source agreement with Grant & Weber (G&W).

G&W will pursue recovery of Worker's Compensation (WC) after the efforts of the County and its current vendors have been exhausted and the accounts have been closed as uncollectible or there is the potential that the accounts have been underreimbursed. G&W is equipped with the latest technology available to achieve optimum results to determine if WC will pay for patient services provided by the Department of Health Services (DHS or Department) at its hospitals, health centers, or comprehensive health centers. G&W is currently contracted with the State of California and has approval to obtain direct access to the Electronic Data Exchange system (EDEX). EDEX allows G&W to research the State's database to obtain recent information involving WC cases.

The Department does not have the staff, resources or expertise to perform this highly specialized service at this time.

FISCAL IMPACT/FINANCING:

The WCSNS are expected to generate \$167,000 in additional revenue annually, of which approximately \$67,000 would offset related contingency fees expected to be paid to the contractor.

G&W contingent fees for Fiscal Year (FY) 2004-05 is budgeted within the Department's FY 2004-05 Adopted Budget, and will be requested in future fiscal years.

The project is funded entirely by the amount of WC revenue received by Department. There is no net County cost associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The WCSNS agreement will provide a safety net function to optimize recovery of WC revenue for accounts deemed uncollectible or there is a potential that the accounts were underreimbursed.

WC recovery requires extensive knowledge of various medical terminologies and a strong legal background to effectively represent, protect, and recover WC claim reimbursements. G&W's WC staff consists of professionally trained collectors, lawyers and reimbursement specialists who have the ability and experience necessary to maximize the recovery of WC claims for the County. Their staff are specifically trained to identify payment deficiencies resulting from misapplication of fee schedules, inappropriate use of diagnosis codes, and other issues that result in serious underpayments to providers.

Monitoring of the Agreement will be performed by the Departments' Revenue Management staff. G&W is required, at a minimum, to complete monthly summary reports and quarterly written assessments of each facility's performance. Contractor shall maintain a comprehensive written audit trail substantiating all cases pursued for recovery, and those subsequently recommended for return to the County.

Attachment A provides additional information.

County Counsel has approved the agreement as to form.

CONTRACTING PROCESS:

G&W was selected as a sole source provider based on their experience and expertise to perform WCSNS and their readiness to undertake this task quickly. The Department believes this justifies its selection of G&W for this sole source agreement. A sole source justification letter is on file with the Department and available for review upon request. G&W will pursue WC reimbursement for accounts which the County and its primary contractors would otherwise have closed or written-off as uncollectible.

The agreement will serve as a safety net function to maximize WC revenue at County health facilities.

A sole source agreement is appropriate and necessary because G&W has the experience and expertise to perform, and is able to do so quickly.

The Honorable Board of Supervisors  
October 28, 2004  
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The Department plans to complete competitive selection process Request for Proposals (RFP), for the WCSNS by December 31, 2005, or no later than June 30, 2006.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of this recommendation will allow G&W to pursue WC reimbursement for closed and uncollectible accounts and generate additional revenue for the Department.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite  
Director and Chief Medical Officer

TLG:rm

Attachment (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor Controller

BLETCD3592.rm

SUMMARY OF AGREEMENTS

1. TYPE OF SERVICE:

Grant & Weber (G&W) will provide Workers' Compensation Safety Net Services (WCSNS) for accounts of patients who receive services at County hospitals, health centers and comprehensive health centers.

2. AGENCY ADDRESS AND CONTACT PERSON:

Grant & Weber  
26575 W. Agoura Road  
Calabasas, CA 91302  
Attention: Dave B. Weinerman, Vice President  
E-mail address: [dbwggw@msn.com](mailto:dbwggw@msn.com)  
Fax Number: (818) 871-7944

3. TERM:

The term of this agreement is effective upon date of Board approval and will remain in effect through December 31, 2005, with an optional six-month extension through June 30, 2006.

4. PROGRAM DESCRIPTION:

The agreement with G&W will provide a safety net function to maximize workers' compensation (WC) revenue for accounts which the County and its Worker's Compensation Identification and Recovery Services vendors have pursued and closed as uncollectible or the accounts were underpaid.

5. FINANCIAL INFORMATION:

WCSNS are expected to generate \$167,000 in additional revenue annually, of which approximately \$67,000 would offset related contingency fees paid to the contractor.

G&W contingent fees for Fiscal Year (FY) 2004-05 have been budgeted within the Department's FY 2004-05 Adopted Budget, and will be requested in future fiscal years.

The project is funded entirely by the amount of WC revenue received by Department. There is no net County cost.

6. APPROVALS:

Revenue Services:	Lawrence Gatton, Chief
Office of the Director of Finance:	Gary W. Wells, Director of Finance
Contract Administration:	Irene Riley, Director
County Counsel (approval as to form):	Robert E. Ragland, County Counsel

Contract No. \_\_\_\_\_

WORKERS COMPENSATION SAFETY NET SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_ 2004,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

GRANT & WEBER (hereafter  
"Contractor").

WHEREAS, pursuant to Section 1441 and 1445 of the California Health and Safety Code, County has established and maintains, through its Department of Health Services (hereafter "DHS"), various County hospitals, ambulatory care centers, public health, and other support facilities and programs (hereafter collectively referred to as "Facilities"); and

WHEREAS, the Facilities provide healthcare services to County patients for injury or occupational disease suffered in connection with their employment, the healthcare service of which are to be paid under the state supervised Workers' Compensation (hereafter "WC") insurance system contributed to by employers; and

WHEREAS, the Facilities seek reimbursement for such healthcare provided to County patients by billing the States' WC program; and

WHEREAS, Contractor has agreed to assist County in identifying WC benefits for patient accounts that have been closed or written off by County and its Worker's Compensation Identification and Recovery Services (hereafter "WCIRS") contractors; and

WHEREAS, the services performed by Contractor, or Workers' Compensation Safety Net Service (hereafter "WCSNS") will serve as a safety net function for accounts which the County and its WCIRS vendors have pursued and closed as uncollectible or the accounts were under paid; and

WHEREAS, Contractor is duly licensed and certified under the laws of the State of California to engage in the business of providing financial services required in resolving or appealing workman's compensation claims; and

WHEREAS, the term "Director" as used herein refers to County's Director of DHS, or his authorized designee (hereafter jointly referred to as "Director"); and

WHEREAS, County is authorized by Government Code Section 310000 to contract for these services.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall commence upon date of Board approval, and unless sooner canceled or terminated as provided herein, shall continue in full force and effect to midnight December 31, 2005. Said Agreement shall thereafter be automatically renewed on a month-to-month basis until either: 1)

DHS, completes a competitive selection process (e.g., request for proposals, invitation for bid, etc.) to continue or replace such WCSNS and a new agreement(s) is awarded by County's Board of Supervisors, or 2) until midnight June 30, 2006, whichever of these two events or dates sooner occurs, without further action by the parties hereto.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days' prior written notice to the other.

Notwithstanding any other provision of this Paragraph, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services in the form as described in the body of this Agreement and Exhibit "A" (Statement of Work), which is attached hereto and incorporated herein by reference.

B. Contractor acknowledges that the quality of service(s) provided under this Agreement shall be at least equivalent to that which Contractor provides to all other clients it serves.

3. NONEXCLUSIVITY: Contractor acknowledges that it is not necessarily an exclusive or the only provider to County of WCSNS, and the County has, or may enter into agreements (i.e., contracts) with other providers to provide WCSNS, or may perform all or part of such services, when possible, using County employees.

4. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the payment structure set forth in Exhibit A, attached hereto and incorporated herein by reference.

Contractor shall individually bill each of the (DHS) Facilities as listed in Attachment "A" (Facility Locations/ Service Sites), for payments received by County from billable work by Contractor pursuant to this Agreement, and according to the terms set forth in the payment requirements in said Exhibit.

B. Payment by County hereunder shall be made within forty-five (45) days after receipt of a billing statement which is deemed to be complete and correct by Facilities, and/or the County's Auditor-Controller, or his/her duly



authorized representative, and in accordance with Exhibit A, Paragraph 7, Provision for Payment, hereinbelow.

5. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS: Notwithstanding any other provision of this Agreement, County shall not be obligated for WCSNS hereunder, or by any provision of this Agreement, during any of County's future July 1 - June 30 fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30 of the last County fiscal year for which funds were appropriated. Director shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date.

6. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or (other) termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration/

termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or (other) termination of this Agreement.

7. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

8. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense. In any event, Contractor may satisfy the insurance coverage requirements specified in this Agreement by providing evidence of Contractor's self-insurance program, as described hereinbelow. Such evidence shall be provided in a formal declaration (on Contractor's letterhead, if available) that

declares Contractor is self-insured for the type and amount of coverage as described in Paragraph 9, Insurance Coverage Requirements, hereinbelow. Contractor's declaration may be in the form of a corporate resolution or a certified statement from a corporate officer or an authorized principal of Contractor. The statement also must identify which required coverages are self-insured and which are commercially insured. Contractors who are self-insured for workers compensation must provide a copy of their "Certificate of Consent to Self-Insure" issued by the State in which services will be provided. Further, Contractor's self-insurance program must be reviewed and approved by County's Risk Manager prior to the effective date of this Agreement.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Director at the: DHS; Contracts and Grants Division; 313 North Figueroa Street, 6th Floor-East; Los Angeles, California 90012-2659, and to DHS; Revenue Management; 313 North Figueroa Street, Room 527; Los Angeles, California 90012-2659, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverages required in this Agreement.

(3) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits: Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be

submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

9. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance

Services Office ["ISO"] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Automobile Liability Insurance (written on ISO policy form "CA 00 01" or its equivalent) with a limit of liability of not less than \$1 Million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

D. Professional Liability Insurance covering liability arising from error, omission, negligent or wrongful act of

Contractor, its officers or employees with limits of not less than \$1 Million per occurrence and \$3 Million aggregate. The coverage also shall provide an extended two (2) year reporting period commencing upon expiration or earlier termination or cancellation of this Agreement.

10. DELEGATION AND ASSIGNMENT: Contractor shall not assign its rights or delegate its duties under this Agreement, or both, either in whole or in part, without the prior written consent of County, and any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any assignee or delegatee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction for any claim which Contractor may have against County, whether under this Agreement or otherwise.

11. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days



prior to the subcontractor's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, (who shall be licensed as appropriate for provision of subcontract services), and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontract.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. (Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.)

(5) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision:  
"This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of Paragraphs 7, 8, 9, 12, 15, and 16, of the body of this Agreement, as well as, all of the provisions of the Additional Provisions attachment.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

12. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with the requirements of all federal, State, and local laws, ordinances, regulations, rules, guidelines, and directives, applicable to its performance hereunder. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

Any reference to a specific statute, regulation, or any other document not prepared by County is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Agreement shall be interpreted and the parties' duties and obligations under this Agreement shall be consistent with any amendment to any applicable statute, regulation or other document not prepared by County which occurs after the effective date of the Agreement.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, regulations, guidelines, or directives.

13. ADDITIONAL PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled Additional Provisions, of which the terms and conditions therein contained are part of this Agreement.

14. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

15. CONFLICT OF TERMS: To the extent that there exists any conflict or inconsistency between the language of this Agreement (including its Additional Provisions), and that of any Exhibit(s), Attachment(s), and any other documents incorporated herein by reference, the language found within this Agreement shall govern and prevail.

16. ALTERATION OF TERMS: The body of this Agreement (including its Additional Provisions) and any Exhibit(s), and/or Attachment(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

17. CONTRACTOR'S OFFICE: Contractor's primary business office is located at 26575 W. Agoura Road, Calabasas, CA 91302 Contractor's primary business telephone number is (818) 878-7779, facsimile/FAX number is (818) 871-7944, and electronic mail ("e-mail") address is dwgw@msn.com. Contractor shall notify County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX number, and/or e-mail address, as listed herein, or any other business address,

business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

18. NOTICES: Notices hereunder shall be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Director is authorized to execute all notices or demands which are required or permitted by County under this Agreement. Addresses and parties to be notified may be changed by providing at least ten (10) working days prior written notice to the other party.

A. Notices to County shall be addressed as follows:

- (1) Department of Health Services  
Contracts and Grants Division  
313 North Figueroa Street, Sixth Floor-East  
Los Angeles, California 90012-2659

Attention: Division Chief

- (2) Department of Health Services  
Revenue Management  
313 North Figueroa Street, Room 527  
Los Angeles, California 90012-2659

Attention: Director

B. Notices to Contractor shall be addressed as follows:

- (1) Grant & Weber  
26575 W. Agoura Road  
Calabasas, CA 91302

Attention: Dave Weinerman

IN WITNESS WHEREOF, the Board of Supervisors of the County  
of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical  
Officer

GRANT & WEBER  
\_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL  
County Counsel

By \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

pm:09/27/04  
CD3598.RM

## Los Angeles County • Department of Health Services

## HEALTH CARE FACILITIES LISTING

Health Centers Providing Primary Care

*Bellflower Health Center*  
10005 E. Flower Street  
Bellflower, CA 90706  
(562) 804-8111

*La Puente Health Center*  
15930 Central Avenue  
La Puente, CA 91744  
(626) 855-5300

*South Antelope Valley Health Center*  
38350 40<sup>th</sup> Street East  
Palmdale, CA 93552  
(661) 272-5000

*Dollarhide Health Center*  
1108 N. Oleander Avenue  
Compton, CA 90222  
(310) 763-2244

*Little Rock Community Clinic*  
8201 Pearblossom Highway  
Little Rock, CA 93543  
(661) 945-8382

*Wilmington Health Center*  
1325 Broad Avenue  
Wilmington, CA 90744  
(310) 518-8800

*Lake Los Angeles Health Center*  
16921 E. Avenue O  
Lake Los Angeles, CA 93591  
(661) 945-8444

*San Fernando Health Center*  
1212 Pico Street  
San Fernando, CA 91340  
(818) 837-6969

Health Centers Providing Public Health

*Central Public Health Center*  
241 North Figueroa Street  
Los Angeles, CA 90012  
(213) 240-8203

*Pacoima Public Health Center*  
13300 Van Nuys Boulevard  
Pacoima, CA 91331  
(818) 896-1903

*Whittier Public Health Center*  
7643 South Painter Avenue  
Whittier, CA 90602  
(562) 464-5350

*Curtis R. Tucker Public Health Center*  
123 West Manchester Boulevard  
Inglewood, CA 90301  
(310) 419-5325

*South Public Health Center*  
1522 East 102<sup>nd</sup> Street  
Los Angeles, CA 90002  
(323) 563-4053

*North Hollywood Health Center*  
5300 Tujunga Avenue  
North Hollywood, CA 91601  
(818) 487-0063

*Monrovia Public Health Center*  
330 West Maple Avenue  
Monrovia, CA 91016  
(626) 256-1600

*Torrance Public Health Center*  
711 Del Amo Boulevard  
Torrance, CA 90502  
(310) 222-6571

Health Centers Providing Public Health and Primary Care

<i>Antelope Valley Health Center</i> 335-B E. Avenue K-6 Lancaster, CA 93535 (661) 723-4511	<i>Brathwaite-Burke Health Center *</i> 2509 Pico Boulevard Santa Monica, CA 90505 (310) 392-8630	<i>Glendale Health Center</i> 501 North Glendale Avenue Glendale, CA 91206 (818) 500-5785
<i>Hollywood/Wilshire Public Health Center*</i> 5205 Melrose Avenue Los Angeles, CA 90038 (323) 769-7800	<i>Pomona Public Health Center*</i> 750 S. Park Avenue Pomona, CA 91766 (909) 868-0235	<i>Ruth Temple Health Center *</i> 3834 S. Western Avenue Los Angeles, CA 90062 (323) 730-3507

Comprehensive Health Centers

*El Monte Comp. Health Center*  
10953 Ramona Boulevard  
El Monte, CA 91731  
(800) 383-4600

*Long Beach Comp. Health Center*  
1333 Chestnut Avenue  
Long Beach, CA 90813  
(562) 599-2153

*H. Claude Hudson Comp. Health Center*  
2829 South Grand Avenue  
Los Angeles, CA 90007  
(213) 744-3945

*Mid-Valley Comp. Health Center*  
7515 Van Nuys Boulevard  
Van Nuys, CA 91405  
(818) 947-4000

*Hubert H. Humphrey Comp. Health Center*  
5850 South Main Street  
Los Angeles, CA 90003  
(323) 846-4312

*Edward R. Roybal Comp. Health Center*  
245 South Fetterly Avenue  
Los Angeles, CA 90022  
(323) 780-2373

Multi-service Ambulatory Care Center

*High Desert MAGC*  
44900 N. 60<sup>th</sup> Street West  
Lancaster, CA 93536  
(661) 948-8581

Hospitals

*Harbor/UCLA Medical Center*  
1000 W. Carson Street  
Torrance, CA 90502  
(310) 222-2345

*Olive View - UCLA Medical Center*  
14445 Olive View Drive  
Sylmar, CA 91342  
(818) 364-1555

*King/Drew Medical Center*  
12021 Wilmington Avenue  
Los Angeles, CA 90059  
(310) 668-4321

*Rancho Los Amigos Rehabilitation Center*  
7601 E. Imperial Highway  
Downey, CA 90242  
(562) 401-7041

*LAC+USC Medical Center*  
1200 N. State Street  
Los Angeles, CA 90033  
(323) 226-2622

EXHIBIT A  
STATEMENT OF WORK  
FOR  
WORKER'S COMPENSATION SAFETY NET SERVICES

GRANT & WEBER

EXHIBIT A

STATEMENT OF WORK

WORKER'S COMPENSATION SAFETY NET SERVICES

1. Definitions: The terms used throughout this Agreement and in this Exhibit A - STATEMENT OF WORK, unless otherwise stated shall mean the following:

A. Accepted Account: An Accepted Account is a referred Account that has been referred to and accepted by Contractor for processing in accordance with the provisions of this Worker's Compensation Safety Net Services (WCSNS) Agreement.

B. Facility(ies): A Facility is a County of Los Angeles - Department of Health Services facility that provides healthcare services.

C. Referred Account: A Referred Account is an account that has been forwarded to Contractor by a Facility, in accordance with the provisions of this Agreement and as further identified in Paragraph 5 - SCOPE OF WORK/SERVICES TO BE PERFORMED BY CONTRACTOR, hereinbelow, for Contractor's assessment and acceptance or rejection.

D. Workers' Compensation: Compensation paid to an employee for injury or occupational disease suffered in connection with employment, paid under a government-supervised insurance system contributed by the employers.

2. CONTRACTOR PERSONNEL:

A. Contractor shall designate a Contract Manager to lead and coordinate Contractor's provision of WCSNS pursuant to this Agreement.

B. Contractor shall work independently on designated assignments in accordance with this Statement of Work.

C. Notwithstanding any representation by County regarding the participation of County personnel in any phase of this project, Contractor assumes sole responsibility for the timely accomplishment of all activities assigned in this Agreement.

3. COUNTY PERSONNEL AND RECORDS:

A. County does not anticipate assigning any County employees to assist Contractor on a full-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor, at the Director's discretion, to provide input and assistance in order to answer questions and provide necessary liaison between Contractor and County departments.

B. The various operational/administrative records and statistics of County's health operations as defined in paragraph 6 - ACCESS TO INFORMATION below shall be available to Contractor for review and evaluation whenever deemed appropriate and feasible by County, and as may be allowed by applicable law.

4. COUNTY FURNISHED PROPERTY AND SERVICES: Contractor(s) shall furnish all labor, materials, supplies, personnel, equipment, and administrative support necessary for the provision of all WCSNS to be provided under this Agreement.

At the County's sole discretion, the County may assign at the facilities, space, chairs, and desks, on a non-exclusive basis, for work area and related use by the Contractor. In the event the County assigns space to the Contractor, Contractor shall use the space only for the purpose of the performance of services hereunder. The Contractor is prohibited from use of such space, desks, and chairs for the purposes other than for the performance of this Agreement.

At the County's sole discretion, the County may provide access to telephones, fax machines, typewriters, and photocopying equipment, on a non-exclusive basis, for the purpose of Contractor's performance of this Agreement. The Contractor is prohibited from use of such equipment for the purposes other than for the performance of this Agreement.

5. SCOPE OF WORK/SERVICES TO BE PERFORMED BY CONTRACTOR:

At the Director's discretion, Contractor shall provide Worker's Compensation Safety Net Services (WCSNS) to County Facilities. WCSNS encompass identification, audit for underpayments, and recovery of Worker's Compensation benefits for accounts closed or written off by County or its Worker's Compensation Identification and Recovery Services (WCIRS) vendors for patients receiving medical treatment in

County facilities.

WCSNS will serve as a "safety net" function for accounts which the County and its WCIRS vendors have pursued and closed as uncollectible or the accounts were under paid.

A. Contractor shall provide WCSNS at Facilities, as determined by the Director. At the Director's discretion, specific Facilities will be assigned to Contractor.

B. Contractor shall review Referred Accounts for acceptance/rejection.

C. Contractor shall review all Referred Accounts for unpaid and partial paid WC accounts for under payments and pursue reimbursement for underpaid amounts.

D. Contractor shall provide a monthly listing by facility of Accepted and Rejected Accounts which it intends to pursue, or at other time frames requested by Director.

E. Contractor shall utilize the State's EDEX system, when appropriate, to file liens for the County for referred accounts Contractor is pursuing. Contractor shall name the County as the benefactor for any and all liens Contractor files.

F. Contractor shall assist the County in making repayments to third party (Insurance, Medicare, etc.) payers, including a system for tracking amounts due

back to third parties. Contractor shall assist in completing any required third-party notifications advising that payment for services was identified as WC and reimbursement is due to the original third party payer.

G. Contractor may, at a Facility's discretion, be required to update applicable Facility accounts receivable or patient registration system, for the accounts referred and accepted by Contractor.

H. Contractor shall pursue full reimbursement for all accounts referred. Contractor shall submit in writing any proposed settlement/account compromise, with amount and reason for compromise, to County for approval prior to acceptance in accordance with DHS' procedures. For this purpose, Contractor shall provide County all information/documentation in a time frame requested by Director. If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify Director at a minimum of fifteen (15) business days in advance of the hearing/conference date.

I. All payments generated from the provision of WCSNS shall be made payable to the County only.

J. Contractor shall provide customized reports in formats and time frames, at a minimum monthly, designated by the Director at no additional cost to the



County.

K. Contractor shall provide County with a quarterly written assessment of each Facility's performance. Any concerns and recommendations to improve WCSNS shall be included in such reports.

L. Contractor shall maintain a comprehensive written audit trail substantiating all cases pursued for recovery, and those subsequently recommended for return to the County, documenting the rationale and criteria for pursuit or non-pursuit of reimbursement. Contractor shall, as requested by Director, provide audit and appeal support to County, including responding to auditor requests for documentation and information and interfacing with the auditors during document review. Contractor shall make available all audit supporting documentation in format and frequency requested by the Director.

M. The Contractor shall agree to photocopy or extract only the patient related information which is necessary to discover and/or generate required billing information, and to comply with all provisions of its executed "Contractor Employee Acknowledgment and Confidentiality Agreement."

N. The Contractor shall return all account documentation reviewed in the same condition and sequence in which they were originally received.

O. The Contractor shall work cooperatively with County staff and the staff of other Contractors employed by the County/DHS for related products or services.

P. The Contractor shall provide personnel to assist in retrieving/photocopying documents as may be requested by the Director/Source Organizations.

Q. Upon termination of this Agreement, Contractor shall return all Referred Accounts and Accepted Accounts to County that are unresolved, including all supporting documentation within hundred-twenty (120) calendar days, or at a time frame determine by the director, of termination.

6. ACCESS TO INFORMATION: In order for Contractor to perform the services described in this Exhibit A - STATEMENT OF WORK, County shall cooperate with Contractor by affording access to such financial, medical and other operating data as may be available at the appropriate Facility, and as Contractor may reasonably request and as may be allowed by applicable law, including among other things the following:

A. Patient demographic, admission, medical, accounts receivable, and payment/remittance data.

B. File layouts for each of the files if necessary.

C. Inpatient and ambulatory billings forms and billing folders for Medi-Cal, Medicare, and commercial insurance payers.

7. PROVISION FOR PAYMENT: Subject to the body of this Agreement, County shall compensate Contractor hereunder as set forth in this Paragraph 7 - PROVISION FOR PAYMENT. The term "Payments" as used in this Paragraph 7 - PROVISION FOR PAYMENT, shall include cash, credits, transfers, and capitation and premium fees received by the County. The term "Payments", as used in this Paragraph 7, shall not include any Medicare or Medical cost report settlements, nor shall it include any block grant monies, including, but not limited to, SB 855, SB 1255 funds and 1115 Waiver funds. Also, subject to the provisions of the body of this Agreement:

A. Contractor shall be reimbursed on a percentage contingent fee basis for WCSNS. The aggregate fee payable to Contractor with respect to WC payments obtained by County as a consequence of Exhibit A - SCOPE OF WORK/SERVICES TO BE PERFORMED BY CONTRACTOR, Paragraph 5, shall be negotiated by Director and Contractor, but shall not exceed forty five percent (45%) of incremental payments collected less proceeds already recovered through other third-party payers (e.g., Medicare, Insurance, etc).

B. Contractor shall bill each Facility monthly in arrears by invoice which shall include details of actual charges for Contractor services. Contractor shall bill each Facility with a separate invoice for its portion of the billing. All amounts payable to Contractor pursuant to Paragraph 7 - PROVISION FOR PAYMENT, will be paid by County

to Contractor within a reasonable period of receipt of invoice evidenced by remittance advice for complete and correct payments for the billings generated by Contractor to third-party payers.

C. Contractor hereby agrees that any fees paid by County to Contractor for services originally approved by third-party payers, and later disallowed in audit or otherwise recouped by the payer or its intermediary, shall be repaid/offset to County. All repayments/offsets of fees to be made by Contractor shall be due and payable by Contractor upon Contractor's receipt of an itemized invoice indicating the specific nature and amount of the audit disallowance(s) and/or recoupment(s) and affirming County's intention to repay any disallowances to third-party payer(s). If Contractor fails to reimburse County after 180 days, County may, at its discretion, deduct such amount from future payments to Contractor.

D. County shall be liable to Contractor with regard to amounts payable to Contractor for the provision of WCSNS only.

E. Contractor shall use its best efforts to perform the services described in this Exhibit A - STATEMENT OF WORK. However, County and Contractor acknowledge that Contractor does not and cannot guarantee that Contractor will identify and recover reimbursement for all accounts for which reimbursement could possibly be secured.

F. Contractor also agrees to maintain records sufficient to document all accounts as part of this project. Records shall contain the following information:

1. Accounts pursued/monitored;
2. Invoice/control numbers of all accounts;
3. Dates of WC hearings/claims;
4. Amounts paid to County, by invoice/control number;
5. Dates of payments to County;
6. Amounts due to Contractor; and
7. Dates of payments to Contractor by County.

County shall cooperate in providing Contractor access to information necessary for Contractor to maintain such ledgers and Contractor shall make such ledgers available to County for its inspection.

8. County will not refer accounts after the term of this agreement, however, Contractor may continue to pursue billing and collection and receive contingent fees for revenue received by County within 120 calendar days after the term of this Agreement has expired, or at a time frame determined by the Director, if that revenue would have been eligible had it been received by County prior to the expiration of the Agreement.

ADDITIONAL PROVISIONS  
DEPARTMENT OF HEALTH SERVICES  
REVENUE MANAGEMENT  
WORKERS' COMPENSATION SAFETY NET SERVICES

10/20/04

ADDITIONAL PROVISIONS

REVENUE MANAGEMENT

WORKERS' COMPENSATION SAFETY NET SERVICES AGREEMENT

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ADDITIONAL PROVISIONS

REVENUE MANAGEMENT

WORKERS' COMPENSATION SAFETY NET SERVICES AGREEMENT

1. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director, or to authorized federal, State, County, and local governmental representatives, the right to review and monitor Contractor's program(s), policies, procedures, and financial and/or other records, and to inspect its business offices, facility(ies), and/or County work site area(s), for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit to Director upon request, an affidavit, sworn to and executed by Contractor's duly constituted officers, or Board of Directors, containing the following information with supportive documentation:

(1) The form of Contractor's business organization, i.e., sole proprietorship, partnership, limited liability company ("LLC"), or corporation.

(2) Articles of Incorporation and By-Laws (or articles of organization, certificate of formation, certificate of registration, and operating agreement if Contractor's organization is a LLC).

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another business organization (i.e., another legal entity or parent corporation).

(4) Board Minutes, or other legal documentation, identifying who is authorized on behalf of Contractor to conduct business, make commitments, and enter into binding agreements with County. Such Board Minutes, or legal documentation, shall especially confirm that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement.

(5) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services supplies, materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(6) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or Contractor's authorized person to conduct business, make commitments, and enter into binding agreements with County changes; or Contractor's ownership of other businesses dealings

with Contractor under this Agreement changes; Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Director, within ten (10) calendar days following execution of this Agreement, a statement executed by Contractor's duly constituted officers or Board of Directors, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor, including but not limited to, private contributions, if any. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If, during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify the Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political

affiliation, or condition of physical or mental handicap, or in any manner on the basis of a client's sexual orientation in accordance with requirements of federal and State laws. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is not equivalent, or is provided in a non-equivalent manner or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, condition of physical or mental handicap, or sexual orientation.

In addition, Contractor's facility access for the handicapped must fully comply with section 504 of the federal

Rehabilitation Act of 1973 and Title III of the federal Americans with Disabilities Act of 1990.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the federal Rehabilitation Act of 1973, the federal Americans with Disabilities Act of 1990, and all other federal and State laws, as they now exist or may hereafter be amended, that it, its affiliates, subsidiaries, or holding companies, will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, condition of physical or mental handicap, or sexual orientation.

Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, condition of physical or mental handicap, or sexual orientation, in accordance with federal and State laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation,

and selection for training, including apprenticeship.

Contractor shall post in conspicuous places in each of Contractor's facilities providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement, or other contract of understanding, a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractor, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status,

political affiliation, condition of physical or mental handicap, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any of the provisions of this Paragraph have been violated, the same shall constitute a material breach of Agreement upon which County may determine to cancel, terminate, or suspend, this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provision of this Agreement.



G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Agreement, County shall be entitled, at its option, to the sum of Five Hundred Dollars (\$500) pursuant to California Civil Code section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees, and agents from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of undocumented aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they

currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director in writing, within thirty (30) calendar days, of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such

participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or other person under Contractor's control, performs services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

9. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees to utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

10. RECORDS AND AUDITS:

A. Service Records: Contractor shall maintain, and provide upon request by County, accurate and complete records of its activities and operations as they relate to

the provision of services, hereunder.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with any additional accounting principles and procedures, and standards, which may from time to time be promulgated by Director. All such records shall be sufficient to substantiate all charges billed to County in the performance of this Agreement. Further, all financial records of Contractor pertaining to this Agreement, including accurate books and records of accounts of its costs and operating expenses, and all records of services (including personnel provided), as well as other financial records pertaining to this Agreement, shall be retained by Contractor for a minimum period of five (5) years following the expiration or prior termination of this Agreement. During such five (5) year period, as well as during the term of this Agreement, all records pertaining to this Agreement, or true and correct copies thereof, including but not limited to, those records described above, shall either: (1) be retained by Contractor, accessible for review by County representatives at a location in Los Angeles County, or (2) if retained by Contractor at a location outside of Los Angeles County, moved from such a location, to a location within Los Angeles County for review, upon Director's

request, and made available during County's normal business hours, within ten (10) calendar days, to representatives of County, or federal and State governments, for purposes of inspection and audit. In the event such records are located outside Los Angeles County and Contractor is unable to move such records to Los Angeles County, then Contractor shall permit such inspection or audit to take place at an agreed to outside location, and Contractor shall pay County for travel, per diem, and other costs related to such inspection and audit.

Contractor shall further agree to provide such records, when possible, immediately to County by facsimile/FAX, or through the internet (i.e., electronic mail ["e-mail"]), upon Director's request. Director's request shall include appropriate County facsimile/FAX number(s) and/or e-mail address(es) for Contractor to provide such records to County. In any event, Contractor shall agree to make available the original documents of such FAX and e-mail records when requested by Director for review as described hereinabove.

C. Federal Access to Records: If, and to the extent that, section 1861 (v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") section 1395x (v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this

Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the sub-contract, books, documents and records of the subcontractor.

D. County To Be Provided Audit Report(s): In the event that an audit is conducted of Contractor specifically regarding this Agreement by any federal or State auditor, or any auditor or accountant employed by Contractor or otherwise, Contractor shall file a copy of each such audit report with Director and County's Auditor-Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality

of such audit report(s). Failure of Contractor to comply with these terms shall constitute a material breach of this Agreement upon which County may cancel, terminate, or suspend this Agreement.

E. Audit/Compliance Review: In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all records of services rendered and all financial records and reports pertaining to this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review, unless otherwise waived by Contractor.

County may conduct a statistical sample audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any written evaluation reports.

Contractor shall have the opportunity to review County's findings on Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/compliance review results to provide documentation to County representatives to resolve the audit exceptions. If, at the end of the thirty (30) calendar day period, there remains audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit, or sample, shall be applied to the total County payment made to Contractor for all claims paid during the audit/compliance review period to determine Contractor's liability to County.

F. County Audit Settlements: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made



by County to Contractor, then the difference shall be paid forthwith to Contractor by County by cash payment.

11. REPORTS: Contractor shall make reports as required by County, or DHS, concerning Contractor's activities and operations as they relate to this Agreement and the provision of services hereunder. In no event, however may County, or DHS, require such reports unless Director has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. Director's notification shall provide Contractor with a written explanation of the procedures for reporting the information required.

12. CONFIDENTIALITY: To the extent that Contractor may gain access hereunder to County patient records and information, Contractor shall maintain the confidentiality of such records and information from third parties, including but not limited to, billings and County records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations, and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of this confidentiality provision requirement. Contractor shall indemnify and hold harmless County, its officers, employees, agents, and subcontractors, from and against any and all loss, damage, liability, and expense arising out of any disclosure of patient records and information by Contractor, its officers, employees,

agents, subcontractors, and others providing services hereunder.

13. CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): Under this Agreement, Contractor (also known herein as "Business Associate") provides services to County (also known herein as "Covered Entity") in which Business Associate receives, has access to, or creates, Protected Health Information as part of its duties in providing such services to Covered Entity under this Agreement; and

Business Associate acknowledges and understands that Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Parts 160 and 164 (hereafter "Privacy Regulations"); and

Privacy Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Privacy Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such an contract is not in place.

Therefore, in consideration of the foregoing, the parties agree to the following:

A. DEFINITIONS:

(1) "Disclose" and "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging of Protected Health Information in any manner outside of Business Associate's internal operations or to other than its employees.

(2) "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(3) "Protected Health Information (PHI)" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (a) relates to the past, present, or future, physical or mental health, or condition of an Individual; the provision of health care to an Individual, or the past, present, or future, payment for the provision of health care to an Individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and

(c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity.

(4) "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court ordered warrants; subpoenas or summons issued by a court, a grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

(5) "Services" means all deliverables, goods, tasks, services and/or other work provided by Business Associate pursuant to this Agreement.

(6) "Use" or "Uses" mean, with respect to Protected Health Information, the analysis, application, employment, examination, sharing, or utilization of such

information within Business Associate's internal operations.

(7) Terms used, but not otherwise defined, in this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), shall have the same meaning as those terms in the Privacy Regulations.

B. OBLIGATIONS OF BUSINESS ASSOCIATE:

(1) Permitted Uses and Disclosures of Protected Health Information: Business Associate:

a. shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Subparagraph(s), B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph, D.(3), and Subparagraph, E.(2) of this Agreement;

b. shall Disclose Protected Health Information to Covered Entity upon request;

c. may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

- 1) Use Protected Health Information; and
- 2) Disclose Protected Health Information

if the Disclosure is Required By Law. Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

(2) Adequate Safeguards for Protected Health

Information: Business Associate warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

(3) Reporting Non-Permitted Use or Disclosure:

Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its officers, employees, agents, representatives, or subcontractors, but is not specifically permitted by this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The initial report shall be made by telephone call to Covered Entity's Departmental Privacy Officer at (213) 240-7908 within forty-eight (48) hours from the time the Business

Associate becomes aware of the non-permitted Use or Disclosure, followed by a full written report to Covered Entity's Chief Information Privacy Officer, at Kenneth Hahn Hall of Administration; 500 West Temple Street, Suite 493; Los Angeles, California 90012, no later than (10) ten business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure.

(4) Mitigation of Harmful Effect: Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

(5) Availability of Internal Practices, Books and Records to Government Agencies: Business Associate agrees to make its internal practices, books, and records, relating to the Use and Disclosure of Protected Health Information, available to the Secretary of the federal Department of Health and Human Services ("DHHS") for purposes of determining Covered Entity's compliance with the Privacy Regulations. Business Associate shall immediately notify Covered Entity of any requests made

by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

(6) Access to Protected Health Information:

Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information, specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

(7) Amendment of Protected Health Information:

Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered



Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

(8) Accounting of Disclosures: Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its officers, employees, agents, representatives, or subcontractors.

Any accounting provided by Business Associate under this Subparagraph B.(8) shall include: a. the date of the Disclosure; b. the name, and address if known, of the entity or person who received the Protected Health Information; c. a brief description of the Protected Health Information disclosed; and d. a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Subparagraph B.(8), Business Associate shall document the information specified in a. through d., above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Subparagraph B.(8) to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected

Health Information in accordance with 45 C.F.R. §  
164.528.

C. OBLIGATION OF COVERED ENTITY: Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

D. TERM AND TERMINATION:

(1) Term: The term of this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), shall be the same as the term of this Agreement. Business Associate's obligations under Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Subparagraph(s) B.(1) (as modified by Subparagraph D.(2)), B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph D.(3) and Subparagraph E.(2) shall all survive the termination or expiration of this Agreement.

(2) Termination for Cause: In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a

material breach by Business Associate, Covered Entity shall either:

a. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

b. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

c. If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary of the federal DHHS.

(3) Disposition of Protected Health Information

Upon Termination or Expiration:

a. Except as provided in Sub-subparagraph b. of this Subparagraph (3), upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created, or received, by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of agents, representatives, or subcontractors, of Business Associate. Business Associate

shall retain no copies of the Protected Health Information.

b. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

E. MISCELLANEOUS:

(1) No Third Party Beneficiaries: Nothing in this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), shall confer upon any person other than the parties and their respective successors or assignees, any rights, remedies, obligations, or liabilities whatsoever.

(2) Use of Agents, Representatives, and/or Subcontractors: Business Associate shall require each of its agents, representatives, and/or subcontractors, that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent, representative, and/or subcontractor to comply with all the terms of this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

(3) Relationship to Services Agreement Provisions: In the event that a provision of this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), is contrary to another provision of this Agreement, the provision of this Paragraph 13 shall control. Otherwise, this Paragraph 13 shall be construed under, and in accordance with, the terms of this Agreement.

(4) Regulatory References: A reference in this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), to a section in the Privacy Regulations means the section as currently in

effect, or may hereafter be amended.

(5) Interpretation: Any ambiguity in this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Regulations.

(6) Amendment: The parties agree to take such action as is necessary to amend this Paragraph 13, Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Regulations.

14. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. Jury Services Program: This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. The Jury Services Program applies to both Contractors and their subcontractors.

B. Written Employee Jury Service Policy:

(1) Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "contractor" as defined under the Jury Services Program

(Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Services Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a

long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

(3) If Contractor is not required to comply with the Jury Service Program on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Services Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that



Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

15. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain in effect during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by all applicable federal, State, and local laws, regulations, guidelines and directives, for the operation of its business operation and for the provisions of services hereunder. Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder, obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by federal, State, and local laws, regulations, guidelines and directives, which are applicable to their performance hereunder.

Upon Director's written request Contractor shall provide Director with a copy of each license, permit, registration, accreditation, and certificate, as required by all applicable federal, State, and local laws, regulations, guidelines and directives, within ten (10) calendar days thereafter.

16. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of employee, agent, servant, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its officers and employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, and local taxes, or other compensation, benefits, or taxes to, or on behalf of, any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County.

Contractor shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

17. REQUIREMENT TO NOTIFY EMPLOYEES ABOUT FEDERAL EARNED INCOME CREDIT ("EIC"): Contractor shall notify its employees, and shall require that each of its subcontractors notify its employees, to inform them that they may be eligible for claiming federal EIC as allowed under the federal income tax laws. Such notification shall be provided in accordance with the requirements as set forth in the Department of Treasury Internal Revenue Service's ("IRS") Notice 1015; copies of which, are available from the IRS Forms Distribution Center, by calling 1-(800)-829-3676.

18. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County purchase orders and/or contracts are in compliance with their court ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program

(County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the federal Social Security Act (42 U.S.C. section 653a) and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b).

B. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM :

Failure of Contractor to maintain compliance with the requirements set forth in the Contractor's Warranty of Adherence to County's Child Support Compliance Program Paragraph immediately above, shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice by County shall be grounds upon which County may terminate this Agreement pursuant to the Termination for

Default Paragraph (or "Term and Termination" Paragraph of this Agreement, whichever is applicable) and pursue debarment of Contractor pursuant to County Code Chapter 2.202.

19. SAFELY SURRENDERED BABY LAW: Contractor shall notify and provide to each of its officers, employees, and agents, and shall require that each of Contractor's subcontractors providing services under this Agreement also notify and provide to each of its officers, employees, and agents, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. County's fact sheet is available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing and review purposes. Further, Contractor understands that it is County's policy to encourage Contractor and all of its subcontractors, providing services under this Agreement, if any, to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at their place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

20. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment

openings to participants in the County's DPSS GAIN or GROW program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to the Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

21. COUNTY EMPLOYEE'S RIGHT OF FIRST REFUSAL AND CONTRACTOR'S OFFERS OF EMPLOYMENT: To the degree permitted by Contractor's agreements with its collective bargaining units, Contractor shall give the right of first refusal for its employment openings at Contractor's facility to qualified County employees who are laid-off or who leave County employment in lieu of reduction under County's Civil Service Rule 19, and who are referred to Contractor by Director (including those on a County re-employment list). Such offers of employment shall be limited to vacancies in Contractor's staff needed to commence services under this Agreement, as well as, to vacancies that occur during the Agreement term. Such offers of employment shall be consistent with Contractor's current employment policies, and shall be made to any former or current County employee who has made application to Contractor, and is qualified for the available position. Employment offers shall be at least under the same conditions and rates of compensations which apply to

other persons who are employed or may be employed by Contractor. Former County employees who have been impacted by County's Civil Service Rule 19, and who are employed by Contractor shall not be discharged during the term of the Agreement except for cause, subject to Contractor's personnel policies and procedures, and agreement(s) with its collective bargaining units.

Contractor shall also give first consideration to laid-off or reduced County employees if vacancies occur at Contractor's other service sites during the Agreement term.

22. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT:  
Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

23. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS:  
Contractor shall assure that the location(s) (e.g., facility[ies]) where Contractor provides services under this Agreement, is/are operated at all times in accordance with all County and local community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with the provisions of this Paragraph.

24. DAMAGE TO COUNTY BUILDINGS, FACILITIES, OR GROUNDS :

Contractor shall repair, or cause to be repaired, at its own cost, any damage to County buildings, facilities, or grounds, caused by Contractor or any officer, employee, or agent of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event, later than thirty (30) calendar days after the occurrence.

If Contractor fails to make timely repairs, County may make any necessary repairs on its own. All costs incurred by County for such repairs, as determine by Director, shall be repaid by Contractor upon demand.

25. USE OF RECYCLED - CONTENT PAPER AND PAPER PRODUCTS :

Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

26. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall within two (2) calendar days, give notice thereof, including all relevant information with respect thereto, to the other party.



27. RESTRICTIONS ON LOBBYING:

A. Federal Certification and Disclosure Requirement:

If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by section 319, Public Law 101-121 (31 U.S.C. section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certification and disclosure requirements.

B. County Lobbyists: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which Director may suspend or County may immediately terminate this Agreement.

28. CONFLICT OF INTEREST:

A. No County officer or employee whose position in County enables such officer or employee to influence the award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such

officer or employee shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement. No officer, employee, agent, or subcontractor of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved, or implicated, and a complete description of all relevant circumstances.

29. COUNTY'S QUALITY ASSURANCE PLAN: County or its agent(s), will be allowed to evaluate Contractor's performance (including the performance of any party providing services on behalf of Contractor) under this Agreement as may be required from time-to-time for quality assurance purposes, but not less than on an annual basis. Such an evaluation will include, but not be limited to, assessing Contractor's compliance with all Agreement terms and performance standards. Any Contractor deficiencies or actions which are found to be in non-compliance with such terms and performance standards which Director determines are severe, or continuing, and that may place the performance of this Agreement in jeopardy if not corrected, will be immediately reported to County's Board of Supervisors by Director. The report will include a description of the quality improvement and/or corrective action measures to be taken by County and Contractor. If Contractor's performance does not improve after the initiation of such quality improvement and/or corrective actions, then County may impose other penalties as may be specified in this Agreement, or may terminate this Agreement immediately.

30. TERMINATION FOR INSOLVENCY, DEFAULT, GRATUITIES, AND/OR IMPROPER CONSIDERATIONS, AND CONVENIENCE:

A. Termination for Insolvency: County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether Contractor is insolvent within the meaning of the federal Bankruptcy Law or not;

(2) The filing of a voluntary or involuntary petition under the federal Bankruptcy Law;

(3) The appointment of a Receiver or Trustee for Contractor;

(4) The execution by Contractor of an assignment for the benefit of creditors.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

B. Termination For Default: County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

(1) If, as determined in the sole judgment of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

(2) If, as determined in the sole judgment of

County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two (2) circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

In the event that County terminates this Agreement as provided hereinabove, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County for such similar services.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

C. Termination For Gratuities and/or Improper Consideration: County may, by written notice to Contractor, immediately terminate Contractor's right to proceed under this Agreement, if it is found that gratuities or consideration in any form, were offered or given by Contractor, either directly or through an intermediary, to

any County officer, employee, or agent, with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement, or making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent, to solicit such improper gratuity or consideration. The report shall be made either to the County manager charged with the supervision of the employee or agent, or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

(Among other items, such improper gratuities and considerations may take the form of cash, discounts, services, the provision of travel or entertainment, or other tangible gifts.)

D. Termination For Convenience: The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which

performance of services under this Agreement is terminated and the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

(1) Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

(2) Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Agreement, in accordance with

Paragraph 10, Records and Audits, herein, retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder.

31. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement, or other contracts, which indicates that Contractor is not responsible, County may in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded and/or performing work on, County contracts for a specified period of time not to exceed three (3) years, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this



Agreement or other contract with County or a non-profit corporation created by County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County or any public entity, or a non-profit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. County's Contractor Hearing Board will conduct a hearing where evidence on proposed debarment is presented. Contractor or Contractor's representative, or both, shall be given an opportunity to submit evidence at that hearing. After the hearing, County's Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and Director shall be provided an opportunity to object to the proposed decision prior to its

presentation to County's Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of County's Contractor Hearing Board shall be presented to County's Board of Supervisors. County's Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of County's Contractor Hearing Board.

G. These terms shall also apply to any subcontractors of Contractor, vendor, or principal owner of Contractor, as defined in Chapter 2.202 of the County Code.

32. SOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier termination of this Agreement, may exercise its right to invite bids (e.g., invitation for bids ["IFB"]), request proposals (e.g., request for proposals ["RFP"]), or do other similar competitive selection procedures, in order to select providers for the continued provision of the services delivered or contemplated under this Agreement. County and/or DHS shall make the determination to solicit bids or proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other

than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future bids, proposals, or other competitive selection procedure, by virtue of its present status as Contractor.

33. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that the venue of any action (other than an appeal or an enforcement of a judgement) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor, which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be exclusively in the courts of the State of California located in Los Angeles County, California.

34. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time-to-time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

35. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or circumstance is held

invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.